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BLUE RIBBON CORPORATION LIMITED



**ANNUAL REPORT
CONSOLIDATED BALANCE SHEET
AND SURPLUS ACCOUNT
FOR YEAR ENDING 30TH JUNE, 1942**

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ANNUAL REPORT

Toronto, Canada, October 3rd, 1942.

To THE SHAREHOLDERS OF
BLUE RIBBON CORPORATION LIMITED:

Your Directors submit herewith the Thirteenth Annual Report together with Consolidated Balance Sheet of the Corporation and Subsidiaries for the year ending June Thirtieth, 1942, as well as the Consolidated Surplus Account for that period.

You will note from the Statement that we have been able to substantially reduce Bank loans.

Allowance has been made for depreciation on buildings and equipment, all operating expenses have been charged, provision has been made for estimated Income and Excess Profits Taxes of \$222,492.60. A special inventory reserve against possible future declines in values of \$54,500.00 has been set up. After these charges have been taken care of, the net profit amounts to \$147,603.26.

Dividends at the rate of 5% per annum have been paid quarterly on the preferred shares outstanding amounting to \$74,625.00.

Some of the more important raw materials that we use are Tea, Coffee, Cocoa, Sugar, Peanuts and Spices. Most of these commodities are imported and some of them have already been rationed either to consumers or to manufacturers. This means that there will be a marked effect on sales of the three Companies and we are not able to forecast what the future may bring.

Many of our employees, including our Secretary-Treasurer Mr. J. R. Wright, are now in the Armed Forces or have been loaned to the Government which has meant an increasing load on those members of the staffs that are left. We have been able to adjust ourselves to changed conditions and our present staffs are doing a very efficient job operating in such trying times.

C. E. SPOONER,
Chairman of the Board.

J. BALL,
President.

CONSOLIDATED BALANCE SH

ASSETS

Current Assets:

Cash on Hand and in Bank.....	139,099.54	
Dominion of Canada 3% Bonds.....	17,450.00	
Accounts Receivable, less Reserve.....	681,608.23	
Inventories of Merchandise and Supplies, valued at cost as determined and certified to by the Management.....	\$1,473,155.12	
Less Reserve against Future Decline in Inventory Values....	76,500.00	
	<u>1,396,655.12</u>	
		2,234,812.89
Stocks and Bonds of Customer Companies.....		39,041.26
Land, Buildings, Machinery and Equipment	\$2,348,970.97	
In Western Canada—as appraised by Sterling Appraisal Co. Ltd., 1928.		
In Ontario—part as appraised by Wesley E. Barker and by Canadian Appraisal Co. Ltd., 1924, and part by Sterling Appraisal Co. Ltd., 1930.		
Plus Additions to date at Cost.		
Less Reserve for Depreciation.....	833,814.46	
	<u>1,515,156.51</u>	
Trade Marks, Patent Rights and Goodwill.....		1.00
Deferred Charges.....		51,465.96
		<u>\$3,840,477.62</u>

Signed on behalf of the Board.

J. BALL,
C. E. SPOONER,
Directors.

AUDITORS'

To the Shareholders of Blue Ribbon Corporation Limited:

We have examined the books and accounts of Blue Ribbon Corporation Limited, for the year ending 30th June, 1942, and have obtained all the information Blue Ribbon, Limited, we have seen the Balance Sheet as of the same date with the Accountants. The above Consolidated Balance Sheet is, in our opinion, properly drawn and the three Subsidiaries as at 30th June, 1942, according to the best of our Companies whose accounts we have examined and the report of Messrs. Black, Hanson & Toronto, Canada,
25th September, 1942.

HEET - 30TH JUNE, 1942

LIABILITIES

Current Liabilities:

Bank Advances (Secured \$332,529.93).....	\$ 533,044.10
Accounts Payable.....	306,566.43
Provision for Taxes.....	250,835.17
	\$1,090,445.70

Mortgage on Land and Buildings of one Subsidiary, due 1st March, 1947.....	47,500.00
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Minority Interest in Subsidiary Company	27,267.44
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Capital Stock:

Authorized:

40,000 Shares of 5% Cumulative Convertible, Redeemable, Participating Preferred Stock of \$50.00 each.

150,000 Common Shares of No Par Value.

Issued and Outstanding:

29,850 Preferred Shares of \$50.00 each \$1,492,500.00

63,475 Common Shares of No Par Value..... 839,067.34

2,331,567.34

Earned Surplus.....	343,697.14
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\$3,840,477.62

REPORT

ed and its Subsidiaries, Pure Gold Manufacturing Co. Limited and Willards Chocolates, and explanations which we required. While we have not examined the accounts of the report thereon by its auditors, Messrs. Black, Hanson & Company, Chartered, we have seen them up so as to exhibit the true consolidated position of Blue Ribbon Corporation and the explanations given to us and as shown by the books of the Company above referred to.

WILTON C. EDDIS & SONS,

Chartered Accountants.

BLUE RIBBON CORPORATION LIMITED

CONSOLIDATED SURPLUS ACCOUNT FOR YEAR ENDING - 30TH JUNE, 1942

Balance at Credit, 30th June, 1941.....	\$270,718.88
Add: Profit for Year, before Depreciation and Income Taxes (after \$5,239.55 for Legal Fees and \$71,165.00 for Salaries of ten full time Executive Officers of the Company and its Subsidiaries).....	\$536,991.74
Less: Depreciation, Plant and Buildings.....	\$112,395.88
Special Reserve against Future Decline in Inventory Values.....	54,500.00
Reserve for Estimated Federal Income and Excess Profits Taxes for Year.....	222,492.60
	389,388.48
	147,603.26
	\$418,322.14
Less Dividends Paid on Preference Shares, 5%.....	74,625.00
Balance, 30th June, 1942, being Earned Surplus.....	\$343,697.14



Blue Ribbon Limited

Winnipeg - Vancouver - Edmonton
Calgary

Manufacturing and Merchandising
Tea, Coffee, Baking Powder, Extracts,
Jelly Powders, Spices.

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Pure Gold Mfg. Co. Limited

Toronto

Manufacturing and Merchandising
Tea, Coffee, Baking Powder, Extracts,
Jelly Powders, Cereals, Chocolate,
Peanut Butter, Cocoa, Spices.

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Willárd's Chocolates Limited

Toronto - Winnipeg - Montreal
Vancouver

Manufacturing and Merchandising
A Complete Line of Confectionery
including the famous
Sweet Marie Nut Roll.

BLUE RIBBON CORPORATION LIMITED

BOARD OF DIRECTORS

J. Ball	-	-	-	-	-	C. E. Spooner
J. F. Michie	-	-	-	-	-	A. C. Matthews
F. T. Moore	-	-	-	-	-	W. Hood

Chairman of the Board	-	-	-	-	-	C. E. Spooner
President	-	-	-	-	-	J. Ball
Vice-President	-	-	-	-	-	A. C. Matthews

Bankers

The Canadian Bank of Commerce

Transfer Agent

The Toronto General Trusts Corporation

Registrar

National Trust Company, Limited

Auditors

Wilton C. Eddis and Sons